

ND ASSOCIATION OF COUNTIES FUND
INVESTMENT PERFORMANCE REPORT AS OF MAY 31, 2003

| | May-03 | | | | April-03 | | | | March-03 | | | | December-02 | | | | September-02 | | | | Current | Prior Year | 3 Years | 5 Years |
|----------------------------------|--------------|------------|---------|----------------------|--------------|------------|---------|----------------------|--------------|------------|---------|------------------------|--------------|------------|---------|------------------------|--------------|------------|---------|------------------------|--------------------|--------------------|---------------------|---------------------|
| | Market Value | Allocation | Actual | Month Policy Net ROR | Market Value | Allocation | Actual | Month Policy Net ROR | Market Value | Allocation | Actual | Quarter Policy Net ROR | Market Value | Allocation | Actual | Quarter Policy Net ROR | Market Value | Allocation | Actual | Quarter Policy Net ROR | Net | Net | Ended 6/30/2002 Net | Ended 6/30/2002 Net |
| LARGE CAP DOMESTIC EQUITY | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Structured Growth</i> | | | | | | | | | | | | | | | | | | | | | | | | |
| AllianceBernstein | 9,965 | 3.7% | 3.0% | 3.11% 4.99% | 9,669 | 3.7% | 3.0% | 7.08% 7.39% | 8,759 | 3.5% | 3.0% | -0.09% -1.07% | 6,470 | 2.6% | 3.0% | 2.89% 7.15% | 6,287 | 2.6% | 3.0% | -13.54% -15.05% | -1.87% 1.53% | -28.65% -26.49% | -16.80% -16.15% | N/A N/A |
| <i>Structured Value</i> | | | | | | | | | | | | | | | | | | | | | | | | |
| LSV | 7,986 | 2.9% | 3.0% | 8.88% 6.46% | 7,341 | 2.8% | 3.0% | 7.97% 8.80% | 6,596 | 2.6% | 3.0% | -5.73% -4.86% | 7,256 | 2.9% | 3.0% | 6.53% 9.22% | 6,813 | 2.8% | 3.0% | -18.60% -18.77% | -3.91% -2.24% | 2.41% -8.96% | 5.40% -2.92% | N/A N/A |
| Russell 1000 Value | | | | | | | | | | | | | | | | | | | | | | | | |
| S&P 500 Index | | | | | | | | | | | | | | | | | | | | | | | | |
| State Street | 38,624 | 14.2% | 14.0% | 5.26% 5.27% | 36,693 | 14.0% | 14.0% | 8.26% 8.24% | 32,884 | 13.2% | 14.0% | -3.17% -3.15% | 33,797 | 13.4% | 14.0% | 8.41% 8.44% | 31,174 | 13.0% | 14.0% | -17.26% -17.28% | -1.03% -1.01% | -18.03% -17.99% | -9.27% -9.18% | N/A N/A |
| S&P 500 | | | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL LARGE CAP DOMESTIC EQUITY | 56,575 | 20.8% | 20.0% | 5.36% 5.27% | 53,703 | 20.6% | 20.0% | 8.00% 8.24% | 48,239 | 19.3% | 20.0% | -3.02% -3.15% | 47,522 | 18.9% | 20.0% | 7.34% 8.44% | 44,273 | 18.4% | 20.0% | -16.96% -17.28% | -1.63% -1.01% | -16.89% -17.99% | -8.30% -9.18% | N/A N/A |
| S&P 500 | | | | | | | | | | | | | | | | | | | | | | | | |
| SMALL CAP DOMESTIC EQUITY | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Manager-of-Managers</i> | | | | | | | | | | | | | | | | | | | | | | | | |
| SEI | 29,882 | 11.0% | 10.0% | 10.55% 10.90% | 27,040 | 10.4% | 10.0% | 9.39% 9.65% | 23,153 | 9.3% | 10.0% | -4.21% -4.00% | 24,171 | 9.6% | 10.0% | 4.91% 6.68% | 23,041 | 9.6% | 10.0% | -19.31% -20.97% | -1.94% -1.58% | -11.77% -7.96% | N/A N/A | N/A N/A |
| Russell 2000 + 200bp | | | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL SMALL CAP DOMESTIC EQUITY | 29,882 | 11.0% | 10.0% | 10.55% 10.73% | 27,040 | 10.4% | 10.0% | 9.39% 9.48% | 23,153 | 9.3% | 10.0% | -4.21% -4.49% | 24,171 | 9.6% | 10.0% | 4.91% 6.16% | 23,041 | 9.6% | 10.0% | -19.31% -21.40% | -1.94% -3.38% | -11.69% -8.59% | 2.22% 1.67% | N/A N/A |
| Russell 2000 | | | | | | | | | | | | | | | | | | | | | | | | |
| CONVERTIBLES | | | | | | | | | | | | | | | | | | | | | | | | |
| TCW | 27,840 | 10.2% | 10.0% | 4.96% 4.44% | 26,509 | 10.1% | 10.0% | 6.19% 5.25% | 26,161 | 10.5% | 10.0% | 1.16% 3.82% | 25,857 | 10.3% | 10.0% | 8.15% 9.83% | 23,908 | 9.9% | 10.0% | -10.05% -8.47% | 9.69% 14.72% | -20.37% -12.44% | -2.22% 0.11% | N/A N/A |
| First Boston Convertible Index | | | | | | | | | | | | | | | | | | | | | | | | |
| INTERNATIONAL EQUITY | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Large Cap - Active</i> | | | | | | | | | | | | | | | | | | | | | | | | |
| Capital Guardian | 25,416 | 9.3% | 9.0% | 4.06% 4.41% | 24,378 | 9.3% | 9.0% | 9.84% 9.18% | 20,974 | 8.4% | 9.0% | -10.00% -9.03% | 23,301 | 9.3% | 9.0% | 7.30% 4.04% | 21,782 | 9.0% | 10.0% | -20.58% -20.02% | -12.33% -13.71% | -12.10% -14.62% | -2.96% -7.32% | N/A N/A |
| MSCI EAFE - 50% Hedged | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Small Cap - Value</i> | | | | | | | | | | | | | | | | | | | | | | | | |
| Lazard | 2,937 | 1.1% | 1.0% | 8.37% 8.40% | 2,774 | 1.1% | 1.0% | 10.52% 8.30% | 2,361 | 0.9% | 1.0% | -7.11% -2.09% | 2,545 | 1.0% | 1.0% | N/A N/A | - | 0.0% | 10.0% | N/A N/A | N/A N/A | N/A N/A | N/A N/A | N/A N/A |
| SSB BROAD MARKET INDEX < \$2BN | | | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL INTERNATIONAL EQUITY | 28,354 | 10.4% | 10.0% | 4.49% 4.41% | 27,151 | 10.4% | 10.0% | 9.91% 9.18% | 23,335 | 9.4% | 10.0% | -9.71% -9.03% | 25,846 | 10.3% | 10.0% | 7.81% 4.04% | 21,782 | 9.0% | 10.0% | -20.58% -20.02% | -11.22% -13.71% | -12.10% -14.62% | -2.96% -7.32% | N/A N/A |
| MSCI EAFE - 50% Hedged | | | | | | | | | | | | | | | | | | | | | | | | |
| DOMESTIC FIXED INCOME | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Core Bond</i> | | | | | | | | | | | | | | | | | | | | | | | | |
| Western Asset | 59,250 | 21.8% | 22.5% | 2.12% 1.86% | 58,113 | 22.2% | 22.5% | 1.70% 0.83% | 58,989 | 23.6% | 22.5% | 2.16% 1.39% | 60,263 | 23.9% | 22.5% | 2.96% 1.57% | 59,018 | 24.5% | 22.5% | 3.51% 4.58% | 13.08% 10.61% | 8.36% 8.62% | 8.53% 8.10% | N/A N/A |
| Lehman Aggregate | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Index</i> | | | | | | | | | | | | | | | | | | | | | | | | |
| Bank of ND | 32,736 | 12.0% | 13.5% | 2.77% N/A | 31,743 | 12.2% | 13.5% | 1.05% N/A | 32,426 | 13.0% | 13.5% | 1.65% N/A | 31,968 | 12.7% | 13.5% | 1.65% N/A | 33,060 | 13.7% | 13.5% | 5.96% N/A | 13.69% N/A | 8.38% 5.04% | 7.79% 5.55% | N/A N/A |
| Bank of ND CD'S | - | 0.0% | 0.0% | | - | 0.0% | 0.0% | | - | 0.0% | 0.0% | | - | 0.0% | 0.0% | | - | 0.0% | 0.0% | | | | | |
| Total Index | 32,736 | 12.0% | 13.5% | 2.77% 2.84% | 31,743 | 12.2% | 13.5% | 1.05% 1.07% | 32,426 | 13.0% | 13.5% | 1.65% 1.65% | 31,968 | 12.7% | 13.5% | 1.65% 1.73% | 33,060 | 13.7% | 13.5% | 5.96% 5.70% | 13.69% 13.60% | 8.14% 8.24% | 7.66% 7.86% | N/A N/A |
| Lehman Gov/Credit | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>BBB Average Quality</i> | | | | | | | | | | | | | | | | | | | | | | | | |
| Strong | 25,633 | 9.4% | 9.0% | 3.38% 3.72% | 24,820 | 9.5% | 9.0% | 2.62% 2.77% | 24,985 | 10.0% | 9.0% | 3.29% 3.40% | 24,241 | 9.6% | 9.0% | 4.48% 4.59% | 23,400 | 9.7% | 9.0% | 3.08% 2.70% | 18.01% 18.39% | N/A N/A | N/A N/A | N/A N/A |
| Lehman US Credit BAA | | | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL DOMESTIC FIXED INCOME | 117,619 | 43.2% | 45.0% | 2.57% 2.84% | 114,676 | 43.9% | 45.0% | 1.72% 1.07% | 116,400 | 46.7% | 45.0% | 1.63% 1.65% | 116,471 | 46.3% | 45.0% | 2.89% 1.73% | 115,478 | 48.0% | 45.0% | 4.11% 5.70% | 10.73% 13.60% | 7.55% 8.24% | 7.88% 7.86% | N/A N/A |
| Lehman Gov/Credit | | | | | | | | | | | | | | | | | | | | | | | | |
| CASH EQUIVALENTS | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Bank of ND</i> | | | | | | | | | | | | | | | | | | | | | | | | |
| 90 Day T-Bill | 11,889 | 4.4% | 5.0% | 0.11% 0.10% | 12,134 | 4.6% | 5.0% | 0.11% 0.09% | 12,139 | 4.9% | 5.0% | 0.35% 0.30% | 11,878 | 4.7% | 5.0% | 0.41% 0.43% | 12,213 | 5.1% | 5.0% | 0.48% 0.45% | 1.47% 1.38% | 2.41% 2.63% | 4.76% 4.68% | N/A N/A |
| TOTAL NDACo FUND | 272,158 | 100.00% | 100.00% | 4.30% 4.25% | 261,212 | 100.00% | 100.00% | 4.80% 4.43% | 249,427 | 100.00% | 100.00% | -0.78% -0.78% | 251,745 | 100.00% | 100.00% | 4.65% 4.60% | 240,695 | 100.00% | 100.00% | -6.55% -6.24% | 6.06% 5.94% | -4.80% -3.26% | 1.59% 1.76% | N/A N/A |
| POLICY TARGET BENCHMARK | | | | | | | | | | | | | | | | | | | | | | | | |

NOTE: Monthly returns and market values are preliminary and subject to change.